

## SOME INDIANA ROAD PROBLEMS

The Honorable M. Clifford Townsend,  
Governor, State of Indiana

Each year I look forward with greater pleasure to this occasion: an opportunity to meet again with the men who design, build, and maintain the highways, the roads, and the streets that are the arteries of our modern transportation and essential to our social and economic life.

We have arrived at a period in the development of our civilization when the roads are the basis and the measuring stick of our progress. One of the first acts of the pioneer and the homesteader was to build roads, that he and his family might have social and economic contact with the outside world. As we developed into an agricultural state, the roads became more important. Over them we hauled the produce of the farm to the market and brought back the products of the factory.

Blessed with an abundance of materials for road building, we, in this state, created one of the finest systems of roads to be found in any part of the nation. But with the progress of the times and the increase in industry and improvement of means of transportation, we found a need for a more uniform, more permanent system of roads. Thus we founded, a score of years ago, the Indiana State Highway system.

Established through action of the General Assembly at the demand of the people of the state, that highway system was designed to connect county seats and included approximately three and a half thousand miles.

The wisdom of that action of the General Assembly has never been questioned, and today Indiana's state highway system of a little more than ten thousand miles—almost three times the mileage of the original system—carries more than seventy per cent of the motor vehicle traffic within the state's boundary.

Provision has been made for extension of the state highway system to a total of twelve thousand miles, which will mean that heavily traveled roads now in the county road systems will be taken over for maintenance and improvement by the highway commission. Already, by legislative enactment, the routes of state highways through cities and towns are maintained by the commission, thus relieving property-owners along these routes of the cost of upkeep and rebuilding, just as the rural landowner now pays no property tax for construction and maintenance of the roads past his farm.

### FINANCING OUR ROADS

We have in Indiana a provision in our constitution which prohibits the issuance of bonds or the incurrence of other

indebtedness by the state. Thus our state highway system—since its inception—has operated on a pay-as-you-go basis; and Indiana has escaped the financial problems which beset some of her sister states, where a large part of current revenues for road purposes must be used to pay interest and retire bonds issued to build roads that are wearing out faster than the obligations are retired.

In more recent years we have arrived at another policy with regard to our highways, our roads, and our streets—that the user shall pay and pay in proportion to his use. Our difficulty today in the operation of that policy, as in all questions of taxation, is the determination of just who shall pay and, more particularly, how much he shall pay. We have not yet arrived at a solution of the problem that completely satisfies every user of the highway.

A number of proposals have been made to adjust the taxes of motorists and truck owners, and I look with favor on those who seek to make a fairer distribution of the money for road-building and maintaining. However, I am insisting that any change in the motor tax structure shall not decrease the total amount of revenue available.

I have been interested during the past several days to observe some of the proposals which have been made in the General Assembly with relation to the general subject of roads, particularly the question I have just been discussing, the financing of roads.

The latest proposal, and the one I look upon with the most favor, would provide a flat \$1 rate for all passenger motor vehicle licenses, eliminate the weight tax, and increase the gas tax by one cent a gallon.

This proposal would not increase the cost of motoring for the average motorist, nor would it decrease the amount of money available for highway purposes. As a matter of fact, it is estimated that the proposal would add from half a million to a million dollars to the highway fund with the normal increase anticipated in the consumption of gas.

The proposal would permit our people to pay their share of the cost of highways over a broader period of time, and more nearly on a basis of road usage.

I know—and I think that any unbiased, well-informed resident of Indiana will agree with me—that this state has the best all-around system of state highways, county roads, and city streets to be found in any of the forty-eight states. I think that we can agree to go a little further in that statement and say that in no state do the motorists get a larger return for the money that they pay for roads than in Indiana.

I know something of the demands being made daily on the State Highway Commission for extension and improvement of that system, and I know that in every county and every municipality similar demands for construction and better maintenance

of roads and streets are faced by every official. On one side we have the constant demand for better roads, and on the other side a reluctance to provide the funds necessary for the accomplishment of those demands.

It is a problem that must have the careful consideration of every member of the General Assembly who has the real welfare of the state at heart. It is a decision affecting every citizen, for the problems have become an essential part of our everyday life, and of our lives as well. I know that the Highway Commission and its engineers are constantly seeking to increase the efficient and economical operation of the state system, and I know that the same purposes guide the county and city officials charged with similar responsibilities. The motorist cannot have the kind of a highway system that he demands today unless he is willing to pay the bills—and you in the business of building and maintaining roads can operate only to the extent that funds are available.

My point is this: that if the motorists of Indiana support some of the proposals now before the General Assembly to reduce the funds collected for road building and maintenance, then the motorists must be equally quick to accept a curtailment of highway construction and improvement. Too frequently we find individuals and groups vociferous in their demands for reducing the cost of some governmental service, and equally vociferous in their demands for additional services that mean greater expenditures.

No one, whether in public or private life, is more deeply concerned than I over the hundreds of deaths and the thousands of accidents that occur on our roads today. I felt that it was a responsibility of government to do something about such a condition; and I found no disagreement. With the co-operation of individuals and various groups we set out to do something, and we are accomplishing something, for in one year there has been a reduction of 26 per cent in the number of persons killed.

This is one of the services expected of government, but it must be paid for. If we rebuild our roads to eliminate dangerous curves, grades, railroad crossings, and other hazards, we must spend money. If we are to patrol the roads and enforce the traffic rules, we must spend money. I might use scores of such examples to illustrate the new services which are expected of government.

I know that you understand these facts and realize the necessity of an adequate financial program for our road system. I know, too, that you are familiar with the more and more important place which the roads hold in our daily life. You have an obligation that extends beyond the mere building of a road and its maintenance—it is to see that every motorist becomes acquainted with your operations and your problems.

Too frequently criticism results from a lack of knowledge

and a failure to have all the facts. It is the duty of every public official to acquaint those whom he serves with the problems connected with his office, the limitations and conditions under which he must function, and to make an accounting of the funds that he administers. The better your program and your policies are understood, the less danger there is that either will suffer from ignorant or selfish attacks.

The subject of diversion of motor vehicle taxes and fees has always been a subject of controversy, and I side with those who are opposed to excessive diversions of these funds. Our percentage of diversion is only 3.64, one of the smallest in the nation. The total receipts last year were more than 34 million dollars, and by law a million and a quarter were returned to the general fund.

The average percentage of motor taxes diverted to non-highway purposes in all the states is 13.70. New Jersey diverts 35 per cent, New York 34 per cent, Massachusetts 32 per cent. Our neighbors, Illinois and Ohio, divert 13 and 17 per cent, respectively.

For the year 1937 a total of one billion, one hundred and seventy-seven million dollars was collected in all the states from motor taxes and fees. One hundred and sixty-one million dollars were used for non-highway purposes. Some of the states, including Illinois, New Jersey, and Pennsylvania, spent a large amount of their motor taxes on unemployment relief. Other states diverted large sums to education.

Under the old Indiana law, only the gasoline tax and the auto license fee went into the highway fund. However, under the law now in operation, the gasoline tax, motor vehicle registration, drivers' licenses, certificates of title, and special permit fees, and the weight tax are all included in the highway fund. The change in the law has cost the general fund about an estimated two million dollars, which have gone toward highway construction and maintenance.

The gross income tax has so reduced property taxes that there is now very little, if any, public sentiment to divert gasoline taxes for general governmental expenses. The gross income tax, while not directly contributing to the highways, has been a real factor in maintaining the high standards of Indiana's road system.

#### IMPORTANCE OF GOOD ROADS

My interest in roads and their importance began many years ago when I was a boy on the farm. That interest has grown with the passing years, and today I fully appreciate the opportunity which I have, as the chief executive of the state, to work with you in further developing our roads and solving some of our road problems.

Indiana's geographical location, natural resources, and record of efficiency in government are bringing new industrial

plants to our state in increasing numbers. Our roads, already the major transportation system of the state, must meet additional demands in serving these industries and in rendering a greater service to the agricultural sections of our state. It is not a question of this year or next year alone—we must anticipate and build for the future.

I feel that you, representing all phases of the road industry—for it is an industry today—are rendering an invaluable public service; and that you have before you the rendering of an even greater service through your performance of the duties with which you are charged.

This is to me an occasion of more than ordinary significance in the history of Indiana's roads and their administration. Tonight we observe the Silver Anniversary of the Purdue Road School, an occasion when we meet to discuss and work out some of the problems of roads. It is a demonstration of the path which has led Indiana to the forefront in the building and maintaining of a highway transportation system. In this and preceding sessions we combine the practical with the scientific, exchanging experiments of the laboratory with experience in the field—all to the end that we may build better, safer, and more permanent roads for the future.

Again may I express my appreciation of this opportunity to discuss with you some of the problems of Indiana's roads and extend my congratulations on the fine record which you are making toward the solution of those problems.

## THE CO-OPERATIVE HIGHWAY RESEARCH PROJECT

W. K. Hatt,  
Former Director, Joint Highway Research Project,  
Purdue University

A co-operative highway research project was entered into between the State Highway Commission of Indiana and Purdue University in February, 1936, with an allowance of \$25,000 up to June 30, 1936. The project was further supported in March, 1937, by an act of the legislature amending a section of the highway law to permit \$50,000 a year to be expended from the funds of the Highway Commission for the use and benefit of Purdue University in carrying out a program of highway research and highway extension.

An advisory board, consisting of three members from the Highway Commission and three from Purdue University, was organized to hear reports of progress from the director of the project and to advise him upon the special research needs of the Highway Commission as reflected in the research program. The director and the research workers, who are appointed by the University, give full time to the project, which was placed in the Engineering Experiment Station.